



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Private Bag X115, Pretoria, 0001,
Enquiries: Sello Mashaba Tel: (012) 315 5183 Fax: (012) 395 6553 email: sello.mashaba@treasury.gov.za

Ref: NW374/17

Mr S Ngwenya
The Acting Municipal Manager
Kgetlengrivier Local Municipality
P O Box 66
KOSTER
0348

Dear Mr Ngwenya

UNSPENT CONDITIONAL GRANTS FOR 2011/12 FINANCIAL YEAR SURRENDERED TO NATIONAL REVENUE FUND

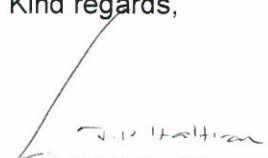
Your letter dated 08 July 2013 refers.

On 14 June 2013, National Treasury sent out a communication to all municipalities of the intention to offset any unspent conditional grants for 2011/12 from the July 2013 equitable share tranche. An amount of R9.7 million for the Municipal Infrastructure Grant was offset against the July 2013 equitable share tranche of Kgetlengrivier Municipality. This decision was based on the information contained in the 2011/12 audited annual financial statements (AFS) and because the municipality did not apply for a rollover to retain the unspent amount during the 2011/12 unspent conditional grants process.

In the letter the municipality is requesting to repay the R9.7 million over the MTREF period. However, National Treasury has approved a repayment arrangement made by the municipality for the 2010/11 unspent conditional grants. National Treasury is therefore not in support of a second repayment arrangement for the 2011/12 unspent conditional grants. However, if the municipality still insists on a repayment arrangement for the R9.7 million, then National Treasury will require that the municipality apply for support to prepare a financial recovery plan.

Please contact Ms Mchunu at Bright.Mchunu@treasury.gov.za or (012) 315-5057 should the municipality require a meeting with National Treasury to discuss this matter further.

Kind regards,


JAN HATTINGH
CHIEF DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS

Date: 25/05/2013

CC: MFMA Coordinator, Provincial Treasury North West
Office of the Auditor General